Advantage Announces Agreement to be Acquired by Canadian Natural Resources Ltd.

(TSX: AAV)

CALGARY, AB, Nov. 16, 2026 /CNW/ -- Advantage Energy Ltd. ("Advantage" or the "Corporation") is pleased to announce that it has entered into a definitive arrangement agreement dated November 16, 2026 (the "Arrangement Agreement") with Canadian Natural Resources Ltd. ("Canadian Natural"), pursuant to which Canadian Natural has agreed to acquire all of the issued and outstanding common shares of Advantage ("Advantage Shares") for $13.55 per Advantage Share in cash (the "Transaction").

All amounts in this press release are stated in Canadian dollars unless otherwise specified.

Transaction Highlights

- The $13.55 per Advantage Share purchase price (the "Purchase Price") represents a 25% premium to the closing price of the Advantage Shares on the Toronto Stock Exchange ("TSX") on November 13, 2026, and a 25% premium to the 30-day volume-weighted average price ("VWAP") as of the same date. The Purchase Price exceeds the highest trading price of Advantage Shares over the past 18 years.
- The Transaction values Advantage at approximately $2.53 billion, including Advantage's net debt[(a)] and convertible debentures.
- The Transaction has been unanimously approved by Advantage's Board of directors (the "Board"), which recommends that holders of Advantage Shares ("Advantage Shareholders") vote FOR the Transaction at a special meeting expected to be held in January 2027.
- Subject to the satisfaction of conditions typical for a transaction of this nature, the Transaction is expected to close in the first quarter of 2027.

"Advantage has built a premier business over the last 25 years, with top-tier well performance, significant owned and operated infrastructure, a deep drilling inventory in the Montney and Charlie Lake, and a relentless cost focus." said John Festival, Chair of the Board and Interim Chief Executive Officer. "Following an extensive review of our strategic alternatives, the Board concluded that this Transaction is the best path to crystallize the value we have created by delivering an immediate and meaningful premium to our shareholders. I want to thank the entire Advantage team, whose hard work and dedication made this outcome possible."

(a) *Specified financial measure which is not a standardized measure under International Financial Reporting Standards ("IFRS") and may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures" for the composition of such specified financial measure, an explanation of how such specified financial measure provides useful information to a reader and the purposes for which Management of Advantage uses the specified financial measure, and where required, a reconciliation of the specified financial measure to the most directly comparable IFRS measure.*

Strategic Rationale and Benefits to Advantage Shareholders

- **Meaningful Premium and Attractive Price:** The Purchase Price represents a 25% premium to the 30-day VWAP of the Advantage Shares and accelerates value for Advantage's significant inventory of over 2,200 future drilling locations across Alberta and British Columbia.
- **Recognition of a High-Quality Asset Base:** The Transaction recognizes the quality of Advantage's Montney and Charlie Lake assets, which delivered average production of approximately 87,000 boe/d in the third quarter of 2026, supported by owned and operated processing infrastructure, including the 425 mmcf/d Glacier Gas Plant and the newly commissioned 75 mmcf/d Progress Gas Plant.

Transaction Details

The Transaction is expected to be completed by way of a statutory plan of arrangement (the "Arrangement") under the Business Corporations Act (Alberta), subject to receipt of requisite shareholder and regulatory approvals, including Competition Act (Canada) approval, approval of the Court of King's Bench of Alberta, and customary closing conditions.

Under the terms in the Arrangement Agreement, Advantage Shareholders will receive $13.55 in cash for each Advantage Share held.

Canadian Natural will also satisfy the obligations associated with Advantage's outstanding $143.75 million principal amount of 5% convertible unsecured subordinated debentures (the "Convertible Debentures") due June 30, 2029, including applicable change-of-control and early-redemption provisions and accrued and unpaid interest through closing.

Under the terms of the Corporation's normal course issuer bid ("NCIB") and automatic share purchase plan ("ASPP") entered into in connection therewith, the Corporation's agreement with a broker to make purchases under the NCIB and the ASPP are terminated as result of the announcement of the Transaction.

Further details regarding the Transaction will be set out in the management information circular (the "Circular") that Advantage expects to mail to Advantage Shareholders and file on SEDAR+ (https://www.sedarplus.com) in December 2026.

Board Recommendation and Fairness Opinions

The Transaction is the result of a comprehensive review of strategic alternatives overseen by a special committee of the Board (the "Special Committee"). After careful consideration, including consultation with its financial and legal advisors, the Special Committee unanimously recommended that the Board approve the Transaction, and the Board unanimously determined that the Transaction is in the best interests of Advantage and is fair to Advantage Shareholders.

All the directors and executive officers of Advantage have entered into voting support agreements with Canadian Natural pursuant to which they have agreed, subject to the terms thereof, to vote their Advantage shares in favour of the resolutions approving the Transaction.

Peters & Co. Limited and Scotiabank have each provided an oral fairness opinion (the "Fairness Opinions") to the Special Committee and Board that, subject to the assumptions, limitations and qualifications communicated to the Special Committee and Board, to be set out in the Fairness Opinions, as at the date of the Arrangement Agreement, the consideration to be received by Advantage Shareholders pursuant to the Transaction is fair, from a financial point of view, to Advantage Shareholders.

Advisors

Peters & Co. Limited and Scotiabank are acting as financial advisors to the Special Committee of Advantage.

Burnet, Duckworth & Palmer LLP is acting as legal counsel to Advantage, and Bennett Jones LLP is acting as legal counsel to Canadian Natural.

Forward-Looking Information Advisory

The information in this press release contains certain forward-looking statements, including within the meaning of applicable securities laws. These statements relate to future events or our future intentions or performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "continue", "demonstrate", "expect", "may", "can", "will", "believe", "would" and similar expressions and include statements relating to, among other things, the terms of the Transaction and the expected timing of closing the Transaction; the rationale for the transaction and anticipated benefits thereof, including the Board's belief that this Transaction is the best path to crystallize Advantage's value and that the Transaction accelerates value for Advantage's significant inventory of future drilling locations; Advantage's future drilling locations; the expected timing of mailing the Circular to Advantage shareholders; conditions to closing the Transaction; that Canadian Natural will also satisfy the obligations associated with the Convertible Debentures; and other similar statements. Advantage's actual decisions, activities, results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Advantage will derive from them.

These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Advantage's control, including, but not limited to: the risk that Transaction may be varied, accelerated or terminated in certain circumstances; the risk that the Transaction does not receive the requisite approvals (including the approval by the Court of King's Bench of Alberta, Competition Act (Alberta) and by Advantage Shareholders) in a timely manner or at all; risks that the conditions to the Transaction may not be satisfied, or to the extent permitted, waived in a timely manner or at all; changes in general economic, market, industry and business conditions; the risk that (i) the U.S. tariffs that are currently in effect on goods exported from or imported into Canada continue in effect for an extended period of time, the tariffs that have been threatened are implemented, that tariffs that are currently suspended are reactivated, the rate or scope of tariffs are increased, or new tariffs are imposed, including on oil and natural gas, (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed or threatened to be imposed by the U.S. on other countries and retaliatory tariffs imposed or threatened to be imposed by other countries on the U.S., will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Corporation, including by decreasing demand for (and the price of) oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial

markets, and limiting access to financing; risks associated with the refusal of the U.S. to renew the Canada-United States-Mexico Agreement ("CUSMA") by the July 1, 2026 deadline, including the risk that the U.S. ultimately withdraws from CUSMA or that CUSMA is renewed on terms that are less favourable to Canada, either of which could result in a significant increase in trade barriers, which could in turn have a material adverse effect on the Canadian and U.S. economies, and by extension the Canadian oil and natural gas industry and Advantage; actions by governmental or regulatory authorities including increasing taxes and changes in investment or other regulations; risks associated with Advantage's standalone plan; changes in tax laws, royalty regimes and incentive programs relating to the oil and gas industry; Advantage's success at acquisition, exploitation and development of reserves; unexpected drilling results; changes in commodity prices, currency exchange rates, net capital expenditures, reserves or reserves estimates and debt service requirements; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties, including hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production and processing facilities, other property and the environment or in personal injury; changes or fluctuations in production levels; delays in anticipated timing of drilling and completion of wells; individual well productivity; competition from other producers; the lack of availability of qualified personnel or management; credit risk; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; our ability to comply with current and future environmental or other laws; stock market volatility and market valuations; liabilities inherent in oil and natural gas operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; ability to obtain required approvals of regulatory authorities; the risk that the Corporation may not have access to sufficient capital from internal and external sources; the risk that Advantage's future production may be less than anticipated. Many of these risks and uncertainties and additional risk factors are described in the Corporation's Annual Information Form which is available at www.sedarplus.ca ("SEDAR+") and www.advantageog.com. Readers are also referred to risk factors described in other documents Advantage files with Canadian securities authorities.

With respect to forward-looking statements contained in this press release, Advantage has made assumptions regarding, but not limited to: the timely completion of the Transaction and the satisfaction of the terms and conditions that the Transaction is subject to; the approval of the Transaction by Advantage shareholders; the receipt of regulatory approvals, including Competition Act approval and approval by the Court of King's Bench of Alberta, in each case on the anticipated timelines thereof; conditions in general economic and financial markets; Advantage's standalone plan; that tariffs currently in effect will remain the same; effects of regulation by governmental agencies; current and future commodity prices and royalty regimes; the Corporation's current and future hedging program; future exchange rates; royalty rates; future operating costs; future transportation costs and availability of product transportation capacity; availability of skilled labor; availability of drilling and related equipment; timing and amount of net capital expenditures; the impact of increasing competition; the price of crude oil and natural gas; the number of new wells required to achieve the budget objectives; that the Corporation will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Corporation's conduct and results of operations will be consistent with its expectations; that the Corporation will have the ability to develop the Corporation's properties in the manner currently contemplated; current or, where applicable, proposed assumed industry conditions, laws and regulations will continue in effect or as anticipated; and the estimates of the Corporation's production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects. Readers are cautioned that the foregoing lists of factors are not exhaustive.

The future acquisition by the Corporation of the Corporation's shares pursuant to a share buyback program, if any (including Advantage's NCIB), and the level thereof is uncertain. Any decision to implement a share buyback program or acquire shares of the Corporation will be subject to the discretion of the board of directors of the Corporation and may depend on a variety of factors, including, without limitation, the Corporation's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions, satisfaction of the solvency tests imposed on the Corporation under applicable corporate law and receipt of regulatory approvals. There can be no assurance that the Corporation will buyback any shares of the Corporation in the future.

Management has included the above summary of assumptions and risks related to forward-looking information above and in its continuous disclosure filings on SEDAR+ in order to provide shareholders with a more complete perspective on Advantage's future operations and such information may not be appropriate for other purposes. Advantage's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Advantage will derive there from. Readers are cautioned that the foregoing lists of factors are

not exhaustive. These forward-looking statements are made as of the date of this press release and Advantage disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Oil and Gas Information

Barrels of oil equivalent (boe) and thousand cubic feet of natural gas equivalent (mcfe) may be misleading, particularly if used in isolation. Boe and mcfe conversion ratios have been calculated using a conversion rate of six thousand cubic feet of natural gas equivalent to one barrel of oil. A boe and mcfe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

This press release contains several oil and gas metrics, including operating netback, which are described below under "Specified Financial Measures". Such oil and gas metrics have been prepared by management and do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the Corporation's performance; however, such measures are not reliable indicators of the future performance of the Corporation and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare the Corporation's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

McDaniel & Associates Consultants Ltd. ("McDaniel") was engaged as an independent qualified reserve evaluator to evaluate Advantage's year-end reserves as of December 31, 2025 ("McDaniel 2025 Reserves Report") in accordance with National Instrument 51-101 ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook").

This press release discloses drilling inventory in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Booked locations include both proved locations and probable locations that are derived from the McDaniel & Associates Consultants Ltd. reserves evaluations effective December 31, 2025 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Of the over 2,200 total drilling locations identified in across Alberta and British Columbia, 309 are proved locations, 80 are probable locations and 1,811 are unbooked locations. Unbooked locations have been identified by Management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Corporation will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Specified Financial Measures

Throughout this press release, Advantage discloses certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income and comprehensive income, cash provided by operating activities, and cash used in investing activities, as indicators of Advantage's performance.

Capital Management Measures

Net Debt

Net debt is a capital management financial measure that provides Management and users with a measure to assess the Corporation's liquidity. Net debt is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

The following abbreviations used in this press release have the meanings set forth below:

boe	*barrels of oil equivalent of natural gas, on the basis of one barrel of oil or NGLs for six thousand cubic feet of natural gas*
boe/d	*barrels of oil equivalent of natural gas per day*
mcf	*thousand cubic feet*
mcf/d	*thousand cubic feet per day*
mcfe	*thousand cubic feet equivalent on the basis of six thousand cubic feet of natural gas for one barrel of oil or NGLs*
mmcf	*million cubic feet*
mmcf/d	*million cubic feet per day*
NGLs and condensate	*Natural Gas Liquids as defined in National Instrument 51-101*

SOURCE Advantage Energy Ltd.

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